

CALIFORNIA LEGISLATURE

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AB 1383 Solar Incentives for Affordable Housing Sponsor: Global Green USA

AB 1383 provides affordable housing developers with access to a loan program that would help finance the gap between the total cost of a solar system and the amount received through current rebate programs. Funding for the program will be generated by a Public Utilities Commission (PUC) ratemaking adjustment created in SB 1 or from a combination of the State Energy Commission's Emerging Renewable Program and the PUC's Self-Generation Incentive Program. Applicants will have to meet minimum building efficiency requirements prior to participating.

The problem this bill seeks to address is that affordable housing developers only receive a 35% rebate from the state for solar PV installations compared to regular homeowners who receive rebates and tax breaks that significantly reduce costs. Because of this insufficient subsidy and the high cost of solar equipment, only 2.5% of the state's solar incentive applications have been from affordable housing developers resulting in less than 2% of the state's solar incentive fund going to affordable housing - only \$3.7 million out of \$190 million.

In addition, low-income residents are more likely to live in apartments or homes that are not energy efficient, causing their utility bills, which average \$50 a month, to increase. However, homeowners are able to afford new double-pane windows and other energy efficient upgrades that can significantly reduce utility bills.

We have the potential to make our state's renewable energy incentive dollars go further by installing solar technology on low-income housing units. About 20,000 units of affordable housing are developed annually in California with an average of 54 units per site. Installing a solar system on a building that serves 54 units is more efficient than installation on a house that serves just one.

SB 1 and AB 1383 are environmental justice bills that will reduce the cost of electricity for all Californians, including those low-income residents who are in desperate need of assistance. In LA City and County alone there are about 70,000 residents receiving affordable and subsidized housing vouchers.

These legislative reforms will also create jobs and clean the air – a win-win for the state.

- Solar power can create 5-7 times more jobs per unit of energy than natural gas power plants, primarily through the assembly and installation of solar energy systems.
- For every megawatt of solar installed, more than 400 tons of air pollution is reduced each year.
- Reduce California's dependence on imported natural gas for power plant generation. California currently imports more than 80% of its natural gas – the state's single largest source of electricity.